

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

BELLSOUTH TELECOMMUNICATIONS,)	
INC.'S APPLICATION TO RESTRUCTURE)	CASE NO. 97-074
RATES)	

O R D E R

In its application for rate restructuring filed March 21, 1997, BellSouth Telecommunications, Inc. ("BellSouth") estimated that the reduction required by the price cap regulation plan to be effective August 1, 1997 would be over \$4 million. BellSouth stated that it would "effectively implement this reduction on the proposed effective date of these price changes" in the restructuring proposal.¹ On April 4, 1997, the Commission suspended for five months to and including September 20, 1997 the effective date of the proposed tariffs.

BellSouth is not relieved from the obligation to make its annual filing on July 1, 1997 to be effective August 1, 1997 to "recalibrate the PRI and to provide a price out of all services."² Accordingly, BellSouth shall file tariffs effective August 1, 1997 to reduce and make any other adjustments pursuant to the price cap plan. BellSouth may select the services to be reduced, however, the business rates of Rate Group 5 in Louisville

¹ Application at 11.

² Case No. 94-121, Application of BellSouth Telecommunications, Inc. d/b/a South Central Bell Telephone Company to Modify Its Method of Regulation. Order dated July 20, 1995 at 54.

appear most appropriate given BellSouth's assertion of competitive pressures. The Commission will address the restructuring issues in this proceeding in the future.

The Commission, having been sufficiently advised, HEREBY ORDERS that within 10 days of the date of this Order BellSouth shall file tariffs to reduce services by over \$4 million effective August 1, 1997.

Done at Frankfort, Kentucky, this 1st day of July, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director